Professional Development

Background

The development of human resources is a key objective of organizations within both the public and private sectors. Within educational settings, LEAs and SEAs allocate significant resources to training and professional development to ensure that personnel maintain and gain the skills that are necessary to perform job duties. Ultimately, these investments result in the development of higher performing employees who contribute to the efficient and effective delivery of educational services.

Although school districts have performed these activities for decades, the scope and content of professional development and training has changed significantly in recent years. These changes have been due to a number of changes in instructional techniques and administrative support activities that have increased the need for training and professional development. The utilization of technology in particular has altered the manner in which educational and administrative services are delivered. As a result, LEAs and SEAs face a new set of challenges in tracking and monitoring training and professional development costs.

Professional development and training may include a number of inter-related activities including:

- In-service training of instructional staff provided by instructional leaders, support staff, third-party providers (including external vendors, state or regional educational support organizations or other school districts)

- Tuition reimbursement for instructional staff who are furthering their formal education or obtaining additional professional credentials in external settings (e.g., colleges and universities)

- Providing mentor teachers to observe and work directly with new teachers

- Professional development and training of administrative personnel in both internal and external settings

- Tuition reimbursement for administrative personnel in a variety of areas (e.g., technology training, continuing professional education, etc.)

- Technology training that may be independent or a component of the areas listed above

The practices and policies related to training and professional development vary widely among states and local educational jurisdictions. This diversity has led to the identification of a number of accounting and policy issues within the educational and research communities including:

- Proper classification of training and professional development costs in general (including the cost of substitute teachers)

- Accounting treatment for tuition reimbursement payments

- Proper classification of technology-related training costs

- Methodology for measuring the adequacy of training and professional development resource allocations

- Mechanisms for LEAs and SEAs to consolidate and report total expenditures related to training and professional development

The importance of these issues to LEAs, SEAs, researchers and educational policymakers warrant their review and the adoption of changes to the existing Handbook.

Accounting Treatment

Given the diversity of LEA training and professional development activities, the current methods for the classification of related expenditures vary widely. In most cases, school districts utilize a combination of function codes and expenditure object codes to track training and professional development costs. Based on our review of current accounting practices, several methodologies exist for capturing and reporting these expenditures including:

- Tuition reimbursement payments for personnel are considered an employee benefit and coded utilizing a compensation-related expenditure code and the function code of the attending employee (instruction, administration, etc.)

- Tuition reimbursement payments for personnel are considered an employee benefit and coded utilizing a compensation-related expenditure code and the function code for staff development (e.g., within the Handbook, Function Code 2213 – Instructional Training Services)

- Tuition reimbursement payments for personnel are *not* considered an employee benefit and coded to a purchased professional and technical services expenditure object code (300 series) and the function code of the attending employee (instruction, administration, etc.)

- Tuition reimbursement payments for personnel are *not* considered an employee benefit and coded to a purchased professional and technical services expenditure object code (300 series) and the function code for staff development (e.g., within the Handbook, Function Code 2213 – Instructional Training Services)

- Training that is provided internally is coded to the appropriate expenditure object code (e.g., salaries, supplies, etc.) and the function code of the attending employee (instruction, administration, etc.)

- Training that is provided internally is coded to the appropriate expenditure object code (e.g., salaries, supplies, etc.) and the function code for staff development (e.g., within the Handbook, Function Code 2213 – Instructional Training Services or 2834 – Inservice Training Services (for Non-Instructional Staff))

- Training that is provided externally is coded to a purchased professional and technical services expenditure object code (300 series) and the function code of the attending employee (instruction, administration, etc.)

- Training that is provided externally is coded to a purchased professional and technical services expenditure object code (300 series) and the function code for staff development (e.g., within the Handbook, Function Code 2213 – Instructional Training Services or 2834 – Inservice Training Services (for Non-Instructional Staff))

- Technology training costs are coded in one of the two previous manners or coded to a technology function code regardless of the type of employee attending

In order to more fully understand these accounting treatments, a few key points should be noted:

- Tuition reimbursement payments to employees may be taxable under certain circumstances (specific IRS rules and regulations). Thus, these payments are distinct from other types of employee reimbursements such as those for travel and subsistence.

- Technology training is merely a type of training, not a separate endeavor. As a result, the general approach to tracking training expenditures should be applied comprehensively regardless of the type of training provided. This treatment also mitigates the problems in distinguishing between general technology training (general computer operation and basic software applications) and instructional technology training (reading and mathematics classroom applications). In fact, with the increased use of desktop applications (such as Microsoft Excel) in classroom settings, these distinctions may be nonexistent.

- In order to decrease the level of difficulty in coding training and professional development expenditures, the grouping of these expenditures into a minimum number of accounts is beneficial. As a result, arbitrary distinctions based on the type or intent of training should be eliminated.

Proposed Handbook Revision

In order to address the issues outlined above, we propose the following changes to the contents of the account classification descriptions within the Handbook.

Tuition Reimbursement

- Tuition reimbursement payments should be coded to the Tuition Reimbursement expenditure object code (240) regardless of employee type.

Externally Provided Training and Professional Development Services

- Addition of the following expenditure object code:

330. Professional – Employee Training and Development Services. Services supporting the professional development of LEA personnel including instructional and administrative employees. Included would be course registration fees (that are not tuition reimbursement), charges from external vendors to conduct training courses (at either LEA facilities or off-site), and other expenditures associated with training or professional development by third-party vendors. All expenditures should be captured in this account regardless of the type or intent of the training course or professional development activity."

- Revision of the existing account code numbers for Other Professional Services (330) and Technical Services (340) to 340 and 350 respectively.

Internally Provided Training and Professional Development Services

Costs incurred for services provided internally (regardless of the area) generally are coded to the appropriate object code (e.g., salaries, supplies, etc.). Thus, the focus of these changes is in the area of function codes.

Currently, the Handbook includes two specific function codes related to training and professional development. These include 2213 (Instructional Staff Training Services) and 2834 (Inservice Training Services). Essentially, these two codes provide a basis for capturing training and professional development costs in two functions: one for instruction and one for administration. These codes, however, do need to be revised to include all types of training and professional development costs.

The current definition of 2213 is:

"Activities that contribute to the professional or occupational growth and competence of members of the instructional staff during the time of their service to the school system or school. Among these activities are workshops, demonstrations, school visits, courses for college credit, sabbatical leaves, and travel leaves."

We propose the following revised definition:

"Activities associated with the professional development and training of instructional personnel. These include activities such as inservice training (including mentor teachers), workshops, conferences, demonstrations, courses for college credit (tuition reimbursement) and other activities related to the ongoing growth and development of instructional personnel. The incremental costs associated with providing substitute

teachers in the classroom (while regular teachers attend training) should be captured in this function code. All costs should be charged to this code regardless of whether training services are provided internally or purchased from external vendors.

The current definition of 2834 is:

"The activities developed by the LEA for training of non-instructional personnel in all classifications."

We propose the following revised title and definition:

2834. Non-Instructional Staff Training Services

"Activities associated with the professional development and training of non-instructional personnel. These include activities such as inservice training, seminars and conferences, continuing professional education, courses for college credit (tuition reimbursement) and other activities related to the ongoing growth and development of non- instructional personnel. The incremental costs associated with providing temporary employees to perform job duties (while regular employees attend training) should be captured in this function code. All costs should be charged to this code regardless of whether training services are provided internally or purchased from external vendors.

Coding Examples

1. An LEA reimburses a teacher for $2,000 in tuition related to a course that was taken to gain a special state certification.

   The payment to the teacher of $2,000 would be coded to expenditure object code 240 (Tuition Reimbursement) utilizing function code 2213 (Instructional Staff Training Services).

2. An LEA hires an external vendor to conduct technology training for its employees. Over a six month period the vendor charges the LEA $20,000 associated with training 200 employees. Based on documentation provided by the vendor, 40% of the participants were instructional staff.

   The total payment of $20,000 to the vendor should be coded to expenditure object code 330 (Professional – Employee Training and Development Services). On a function code basis, $8,000 should be coded utilizing function code 2213 (Instructional Staff Training Services) and the remaining $12,000 should be coded utilizing function code 2834 (Non-Instructional Staff Training Services).

3. Staff in the Accounting Department of an LEA attend the annual Association of School Business Officials conference as a part of their continuing education activities. For each attendee, the costs associated with the conference are:

   - Registration fees ($150)

- Travel and subsistence ($400)

For each attendee, the costs would be coded as follows:

$150 to expenditure object code 330 (Professional – Employee Training and Development Services) utilizing function code 2834 (Non-Instructional Staff Training Services).

- $400 to expenditure object code 580 (Travel) utilizing function code 2834 (Non-Instructional Staff Training Services).

4. An LEA sends ten teachers to a three-day reading instructional development workshop. Substitute teachers are utilized to provide classroom instruction during their absence. The cost of the workshop is $300 per teacher. The cost of providing the substitute teachers is $125 per day be substitute.

The payment for the cost of the workshop of $3,000 would be coded to expenditure object code 330 (Professional – Employee Training and Development Services) utilizing function code 2213 (Instructional Staff Training Services).

The cost of providing the substitute teachers of $3,750 would be coded to expenditure object code 120 (Salaries of Temporary Employees) utilizing function code 2213 (Instructional Staff Training Services).

5. An LEA implements a mentor teacher program to provide guidance and development to new teachers in the district. Several experienced teachers at Hillwood Elementary School are utilized in the program during the first semester of the school year. The mentor teachers spend one day per week team teaching in the classrooms of new teachers in the school. The total cost of the mentor teachers' salaries for the first semester are $40,000.

A portion of the salary costs of the mentor teachers should be allocated and coded to function code 2213 (Instructional Staff Training Services). Since the mentor teachers spend 20 percent of their time on professional development activities (one day of a five day work week), $8,000 should be coded to function code 2213 (Instructional Staff Training Services) utilizing the appropriate expenditure object codes. Other costs such as benefits should be coded similarly.